



## Tips to help your sole trader clients

If you have sole trader clients, you can help them avoid these common mistakes and get it right this tax time.

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When your clients are busy running a business, understanding tax rules can take a backseat to other priorities.


We know small businesses work hard to get their tax and super right; however, we understand mistakes can still happen. We're seeing sole traders make mistakes in these areas:

- not reporting all income – this includes income earned outside their business (like a side hustle), cash jobs or payments in-kind/barter deals (such as the value of goods or services received in exchange for work)
- overclaiming expenses – this includes claiming the portion of an expense related to personal use or overstating the cost of goods sold and other business expenses
- calculating business losses
- incorrectly claiming and offsetting losses from non-commercial business activities against other income sources
- claiming PAYG withholding refunds
- misreporting personal services income (PSI) to gain tax benefits
- not registering for GST if they are in the taxi or ride-sourcing industry or when they reach or expect to reach the GST threshold
- not keeping accurate and complete records.

Help your clients avoid these mistakes by referring them to our [Tax Time toolkit for small business](#). There's a directory of links, including

information on business income and deductions, to help them get things right.

You can also encourage clients to use the **ATO app** to access and manage their tax and super and the **myDeductions tool** to capture expenses as they arise.

If your clients are unsure what records to keep, they can take this free, self-paced course in record keeping: [Essentials to strengthen your small business](#) .

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